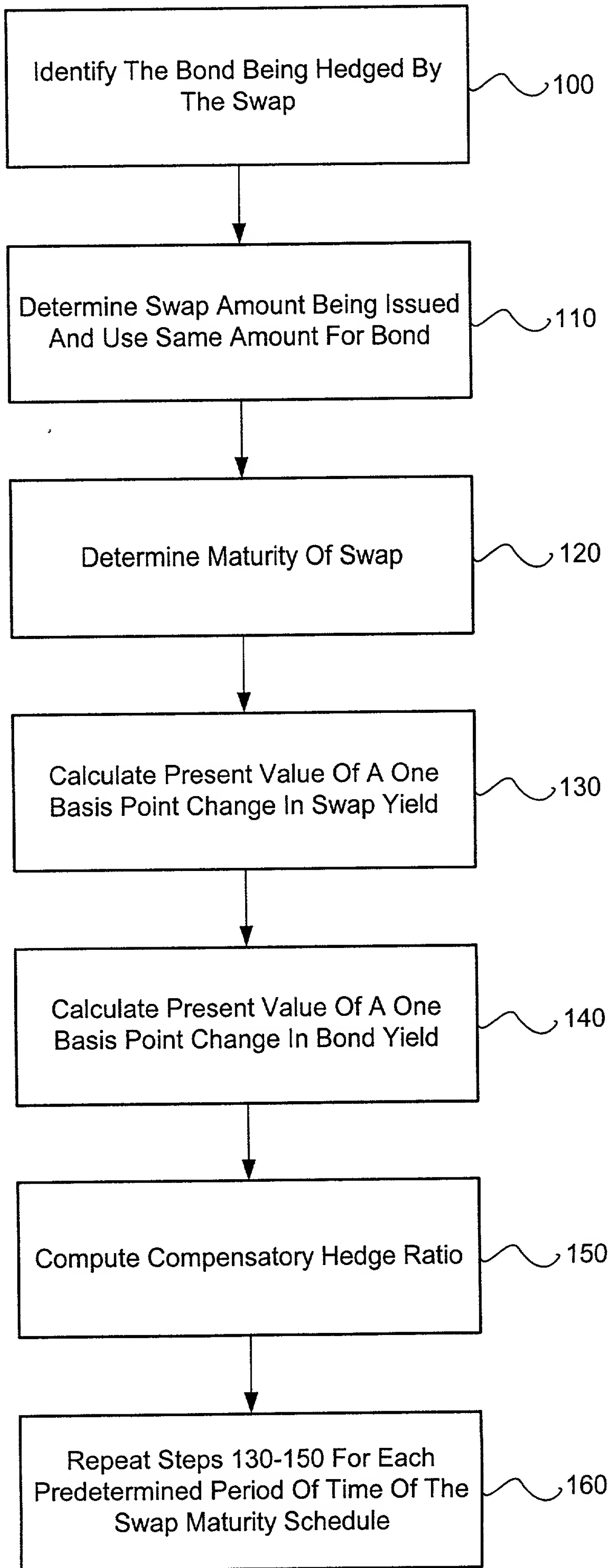


FIG. 1



bond's market value caused by an equal change in interest rates. The amount of bond being hedged will vary monthly to compensate for the differences in swap and bond valuation drivers.

The goal is to establish the hedge such that an interest rate change has a similar dollar impact on the swap MTM value and the bond market value. This is best expressed as the dollar value per basis point. Four hedging examples are summarized in the next chart. The detailed calculations are in the exhibit titled "Compensatory Ratio Analysis".

	Value of 1 BP At Initial Date	Value of 1 BP With 12 Months Remaining
<u>Exhibit 1</u>		
4 year Swap	\$36,125	\$ 9,730
4 year Bond	\$36,185	\$ 9,734
<u>Exhibit 2</u>		
5 year Swap	\$46,546	\$ 9,726
7 year Bond	\$65,181	\$27,313
<u>Exhibit 3</u>		
6 year Swap	\$56,887	\$ 9,726
8 year Bond	\$64,013	\$23,052
<u>Exhibit 4</u>		
7 year Swap	\$54,921	\$ 9,653
10 year Bond	\$71,574	\$36,005

Hedge Ratio (Bond amount being hedged as a percentage of the swap notional amount):

	At Initial Date	With 12 Months Remaining
Exhibit 1	99.8% (\$36,125 / \$36,185)	100.0% (\$9,730 / \$9,734)
Exhibit 2	71.4% (\$46,546 / \$65,181)	35.6% (\$27,313 / \$9,726)
Exhibit 3	88.9% (\$56,887 / \$64,013)	42.2% (\$9,726 / \$23,052)
Exhibit 4	76.7% (\$54,921 / \$71,574)	26.8% (\$9,653 / \$36,005)

The hedge ratios are logical. An interest rate change has a greater dollar impact on a longer maturity bond. So, a lesser bond notional amount can be hedged by a given swap amount when the bond maturity is longer.

At the "Initial date", we can use the hedge ratios to determine the bond notional being hedged. For example, a \$100 million swap in Exhibit 3 would hedge \$88.9 million bond notional. This should generate a "perfect" matching of swap and bond value volatility.

However, note the changing relationship when there is a maturity mismatch. Exhibit 2 shows an initially moderate mismatch (7 year bond versus 5 year swap gives a maturity ratio of 1.4 to 1). By the end of year 4, the maturity mismatch is wide (3 year bond versus a 1 year swap gives a maturity ratio of 3 to 1). We therefore need to vary the percentage hedging relationship between the bond and swap to maintain similar amounts

FIG.2

EXHIBIT 1 DETAILS

WestLB swap #16 (maturing Feb 13-03) vs Cat Bond 6.00% maturing Feb-03

Calculation of the Compensatory Hedge Ratio

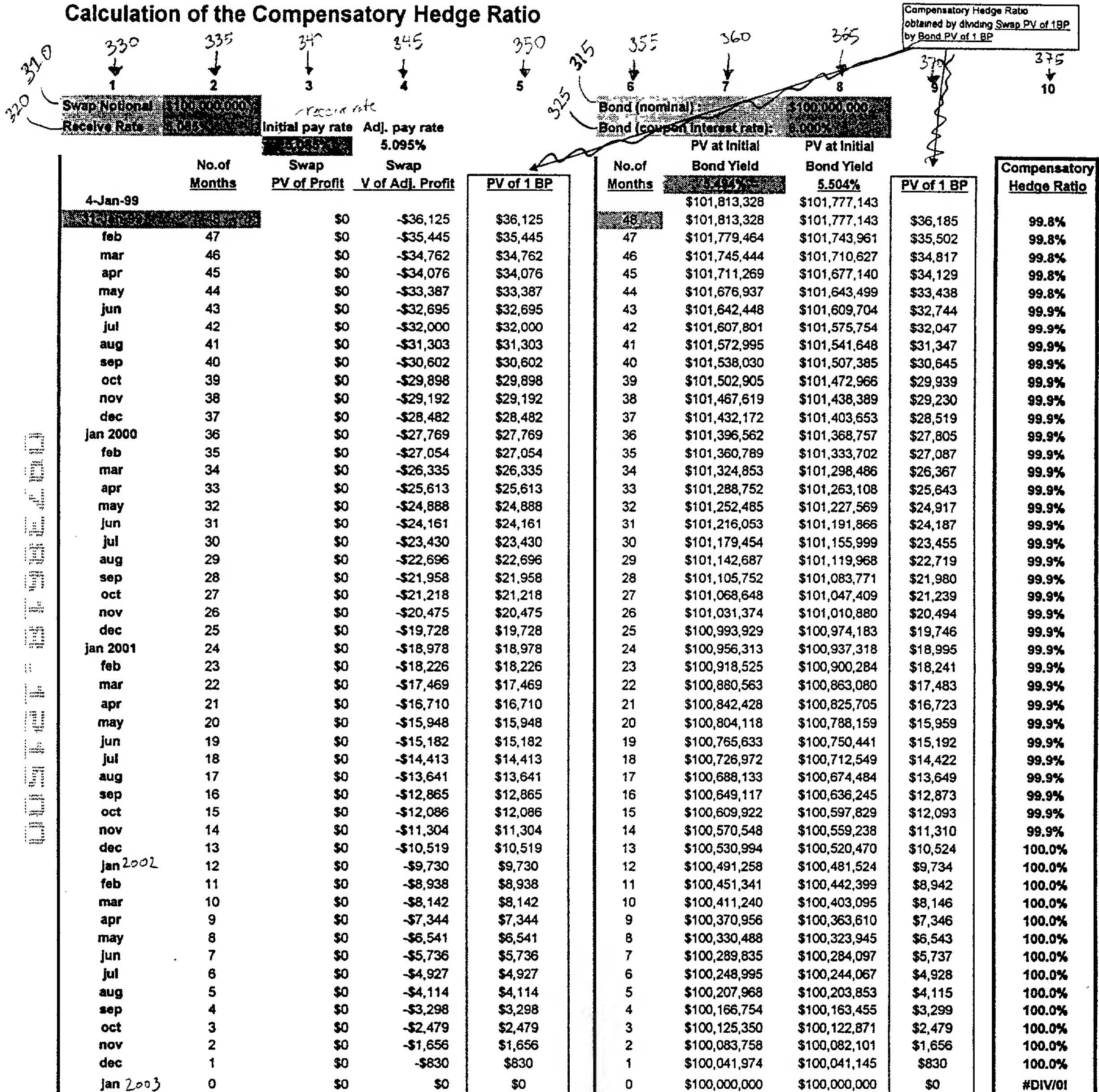


FIG. 3

EXPORT 1 DETAILS SCANNED, # 6

420 425 430 435 440

swap #16 - (maturing Feb 13-03) vs Cat Bond 6.00% maturing Feb-03

on of the Correlation between Swap and Ratio Hedge Bond

1 15 18 17 18

Actual month-end CP Rate	Using CP at month end + 18 bps	Settlement on	Market Yield	No. days of accrued interest	Actual floating rate	Accrued Interest	Adjusted MTM (excl. accrued int.)	Monthly Change Adj. MTM	No. of Months	Computed Bond Value	Actual Libor Swap Yield	Constant Yield Differential	Constant Diff. Libor vs CP Swap	Effective Swap Yield	Bond Price if Yield Unchanged	Amount of Premium	Bond Value Mktg Change
204			5.070%	\$0		\$0	\$54,204	\$54,204	49	102.2165%	5.1850%	0.3080%	0.1000%	5.3940%	102.216%		
749			5.060%	\$0		\$0	\$2,034,749	\$2,088,953	48	102.2305%	5.1700%	0.3090%	0.1000%	5.3780%	102.178%	0.041%	54,516
311			5.520%	\$0		\$0	\$1,520,311	\$514,438	47	100.0606%	5.7650%	0.3090%	0.1000%	5.9740%	102.135%	0.041%	-2,089,155
948			5.590%	\$0		\$0	\$1,728,948	\$209,637	46	100.5631%	5.6267%	0.3090%	0.1000%	5.8357%	102.094%	0.041%	513,427
878			6.000%	\$0		\$0	\$3,004,878	\$1,274,930	45	100.3138%	5.8975%	0.3090%	0.1000%	5.9085%	102.053%	0.041%	-208,216
377			6.118%	\$0		\$0	\$3,316,377	\$311,499	44	98.9609%	6.1000%	0.3090%	0.1000%	6.3080%	102.012%	0.041%	-1,281,892
892			6.370%	\$0		\$0	\$4,021,892	\$705,516	43	98.6356%	6.2183%	0.3090%	0.1000%	6.4273%	101.971%	0.041%	-313,783
921	5.17%	198	6.500%	\$402,089		\$402,089	\$4,324,921	\$829,420	42	97.8861%	6.4700%	0.3090%	0.1000%	6.6780%	101.829%	0.042%	-707,924
823	5.26%	229		\$383,692		\$383,692	\$4,324,921	\$224,411	41	97.5401%	6.6000%	0.3090%	0.1000%	6.5757%	101.845%	0.042%	-304,141
383	5.26%	280		\$447,342		\$447,342	\$877,315	\$829,420	40	98.2810%	6.3667%	0.3090%	0.1000%	6.8140%	101.803%	0.042%	782,898
034	5.37%	290		\$427,055		\$427,055	\$1,101,725	\$419,383	39	98.2068%	6.4050%	0.3090%	0.1000%	6.7807%	101.760%	0.042%	-28,939
862	5.55%	321		\$314,404		\$314,404	\$1,521,089	\$498,177	38	97.8370%	6.5517%	0.3090%	0.1000%	7.0740%	101.718%	0.043%	-328,444
491	5.59%	352		\$308,192		\$308,192	\$2,019,266	\$828,377	37	97.0328%	6.8650%	0.3090%	0.1000%	7.4790%	101.675%	0.043%	-781,811
068	5.76%	15		\$6,062		\$6,062	\$2,947,643	\$10,493	36	96.0365%	7.2700%	0.3090%	0.1000%	7.3736%	101.632%	0.043%	-853,259
663	5.83%	48		\$2,836		\$2,836	\$2,937,150	\$308,315	35	96.4051%	7.1646%	0.3090%	0.1000%	7.3940%	101.589%	0.043%	411,502
597	6.02%	78		\$23,425		\$23,425	\$2,913,827	\$378,451	34	96.4464%	7.1850%	0.3090%	0.1000%	7.5335%	101.546%	0.043%	84,538
970	6.40%	107		\$144,377		\$144,377	\$3,220,142	\$378,451	33	96.2018%	7.3245%	0.3090%	0.1000%	7.3925%	101.502%	0.044%	-201,328
153	6.53%	137		\$233,651		\$233,651	\$3,598,593	\$1,024,091	32	95.7836%	7.5463%	0.3090%	0.1000%	7.7553%	101.459%	0.044%	994,454
087	6.49%	168		\$268,110		\$268,110	\$2,574,502	\$260,545	31	96.7345%	7.1835%	0.3090%	0.1000%	7.3070%	101.414%	0.044%	331,314
443	6.47%	198		\$308,678		\$308,678	\$2,313,957	\$478,192	30	97.0218%	7.0980%	0.3090%	0.1000%	7.0859%	101.370%	0.044%	595,100
990	6.46%	229		\$361,067		\$361,067	\$1,835,765	\$542,842	29	97.5728%	6.8669%	0.3090%	0.1000%	6.8997%	101.328%	0.044%	537,645
993	6.68%	260		\$404,752		\$404,752	\$1,292,923	\$138,782	28	98.0681%	6.6907%	0.3090%	0.1000%	6.8365%	101.281%	0.045%	234,395

HHH

SCANNED, #6

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	Bond Value Mthly Change	Compensatory Hedge Ratio	Hedged Bond MTM mthly change (24 * 26)	avg. x Life-to-date Hedged Bond MTM mthly change	Y Swap MTM Mthly Change	Ineffective Portion Swap MTM (28-27) Y minus X	Square of Total Deviation SSI	Square of Unexplained Dev (Ineffect. portion) SSE	r2
31-Jan-99	\$54,516	99.8%	54,427	54,427	\$54,204	223	49,628	49,628	0.0%
	-\$2,099,155	99.8%	-2,095,772	-1,020,673	-\$2,088,953	-6,819	2,296,582,289,735	46,500,279	100.0%
apr	\$513,427	99.8%	512,616	-509,577	\$514,438	-1,822	3,860,883,517,609	3,321,108	100.0%
	-\$208,216	99.8%	-207,894	-434,156	-\$209,637	1,743	3,927,087,283,589	3,038,583	100.0%
	-\$1,281,692	99.8%	-1,279,746	-603,274	-\$1,274,930	-4,816	4,494,871,176,593	23,193,636	100.0%
Jul	-\$313,783	99.9%	-313,316	-554,948	-\$311,499	-1,818	4,564,704,923,005	3,303,776	100.0%
	-\$707,924	99.9%	-706,894	-576,654	-\$705,516	-1,378	4,584,715,078,924	1,898,274	100.0%
	-\$304,141	99.9%	-303,708	-542,536	-\$303,028	-680	4,649,225,115,759	462,382	100.0%
	\$782,898	99.9%	781,809	-395,387	\$829,420	-47,611	6,318,077,971,286	2,266,835,661	100.0%
oct	-\$28,939	99.9%	-29,898	-358,838	-\$224,411	184,512	6,343,567,383,582	37,835,080,591	99.4%
	-\$329,444	99.9%	-329,007	-356,126	-\$419,363	90,357	6,348,353,334,280	8,164,333,782	99.2%
	-\$761,811	99.9%	-760,824	-389,851	-\$498,177	-262,647	6,357,632,550,455	68,983,260,696	98.2%
Jan 2000	-\$953,259	99.9%	-952,054	-433,097	-\$928,377	-23,678	6,628,902,567,665	560,639,095	98.2%
	\$411,502	99.9%	410,995	-372,805	\$10,493	400,502	6,815,307,260,336	160,401,736,247	95.9%
	\$84,538	99.9%	84,437	-342,322	\$23,322	61,115	6,982,500,378,558	3,734,985,049	96.0%
apr	-\$201,328	99.9%	-201,093	-333,495	-\$306,315	105,222	6,991,419,564,006	11,071,702,716	95.8%
	-\$374,454	99.9%	-374,029	-335,880	-\$378,451	4,422	6,990,927,028,279	19,551,826	95.8%
	\$994,454	99.9%	993,359	-262,033	\$1,024,091	-30,732	8,812,603,041,850	944,476,775	96.7%
Jul	\$331,314	99.9%	330,960	-230,823	\$260,545	70,415	9,101,296,600,373	4,958,338,806	96.7%
	\$585,100	99.9%	594,484	-189,557	\$478,192	116,291	8,624,644,168,383	13,523,688,684	96.8%
	\$537,845	99.9%	537,106	-154,954	\$542,842	-5,736	10,181,381,367,533	32,898,234	96.9%
oct	\$234,395	99.9%	234,168	-137,267	\$138,782	95,385	10,287,397,783,967	9,098,368,619	96.9%

FIG.5

Citibank swap#20 - maturing 6/4/04 vs Cat Bond 9.00% maturing 4/15/06

Calculation of the Compensatory Hedge Ratio

Compensatory Hedge Ratio
obtained by dividing Swap PV of 1BP
by Bond PV at 1BP

Swap Notional \$100,000,000				Bond (nominal) \$100,000,000					
Receive Rate 5.63%				Bond (coupon) interest rate 9.000%					
Initial pay rate 5.15%				PV at Initial					
Adj. pay rate 5.16%				Bond Yield					
5.15%				5.720%					
No. of Months	Swap PV of Profit	Swap V of Adj. Profit	PV of 1 BP	No. of Months	Bond Yield	Bond Yield	PV of 1 BP	Compensatory Hedge Ratio	
4-Jan-99									
31-Jan-99	64	\$0	-\$46,546	\$46,546	86	\$119,312,749	\$119,247,568	\$65,181	71.4%
feb	63	\$0	-\$45,913	\$45,913	85	\$119,312,749	\$119,247,568	\$64,497	71.2%
mar	62	\$0	-\$45,276	\$45,276	84	\$119,130,478	\$119,065,981	\$63,812	71.0%
apr	61	\$0	-\$44,638	\$44,638	83	\$118,947,341	\$118,883,529	\$63,125	70.7%
may	60	\$0	-\$43,996	\$43,996	82	\$118,763,332	\$118,700,207	\$62,436	70.5%
june	59	\$0	-\$43,351	\$43,351	81	\$118,578,448	\$118,516,012	\$61,745	70.2%
july	58	\$0	-\$42,704	\$42,704	80	\$118,392,683	\$118,330,938	\$61,053	69.9%
aug	57	\$0	-\$42,054	\$42,054	79	\$118,206,035	\$118,144,982	\$60,359	69.7%
sep	56	\$0	-\$41,401	\$41,401	78	\$118,018,499	\$117,958,140	\$59,663	69.4%
oct	55	\$0	-\$40,746	\$40,746	77	\$117,830,070	\$117,770,407	\$58,966	69.1%
nov	54	\$0	-\$40,088	\$40,088	76	\$117,640,745	\$117,581,779	\$58,266	68.8%
dec	53	\$0	-\$39,426	\$39,426	75	\$117,450,519	\$117,392,253	\$57,565	68.5%
jan 2000	52	\$0	-\$38,762	\$38,762	74	\$117,259,388	\$117,201,822	\$56,863	68.2%
feb	51	\$0	-\$38,095	\$38,095	73	\$117,067,347	\$117,010,484	\$56,158	67.8%
mar	50	\$0	-\$37,426	\$37,426	72	\$116,874,392	\$116,818,234	\$55,452	67.5%
apr	49	\$0	-\$36,753	\$36,753	71	\$116,680,520	\$116,625,068	\$54,744	67.1%
may	48	\$0	-\$36,077	\$36,077	70	\$116,485,724	\$116,430,981	\$54,034	66.8%
june	47	\$0	-\$35,399	\$35,399	69	\$116,290,002	\$116,235,968	\$53,322	66.4%
july	46	\$0	-\$34,718	\$34,718	68	\$116,093,349	\$116,040,026	\$52,609	66.0%
aug	45	\$0	-\$34,033	\$34,033	67	\$115,895,760	\$115,843,151	\$51,894	65.6%
sep	44	\$0	-\$33,346	\$33,346	66	\$115,697,230	\$115,645,336	\$51,177	65.2%
oct	43	\$0	-\$32,656	\$32,656	65	\$115,497,756	\$115,446,579	\$50,459	64.7%
nov	42	\$0	-\$31,963	\$31,963	64	\$115,297,333	\$115,246,874	\$49,739	64.3%
dec	41	\$0	-\$31,267	\$31,267	63	\$115,095,956	\$115,046,218	\$49,016	63.8%
jan 2001	40	\$0	-\$30,568	\$30,568	62	\$114,893,621	\$114,844,605	\$48,293	63.3%
feb	39	\$0	-\$29,866	\$29,866	61	\$114,690,323	\$114,642,031	\$47,567	62.8%
mar	38	\$0	-\$29,161	\$29,161	60	\$114,486,058	\$114,438,491	\$46,840	62.3%
apr	37	\$0	-\$28,452	\$28,452	59	\$114,280,821	\$114,233,981	\$46,111	61.7%
may	36	\$0	-\$27,741	\$27,741	58	\$114,074,607	\$114,028,497	\$45,380	61.1%
june	35	\$0	-\$27,027	\$27,027	57	\$113,867,412	\$113,822,032	\$44,647	60.5%
july	34	\$0	-\$26,310	\$26,310	56	\$113,659,231	\$113,614,584	\$43,913	59.9%
aug	33	\$0	-\$25,589	\$25,589	55	\$113,450,060	\$113,406,147	\$43,177	59.3%
sep	32	\$0	-\$24,866	\$24,866	54	\$113,239,893	\$113,196,716	\$42,439	58.6%
oct	31	\$0	-\$24,139	\$24,139	53	\$113,028,726	\$112,986,287	\$41,699	57.9%
nov	30	\$0	-\$23,410	\$23,410	52	\$112,816,555	\$112,774,855	\$40,958	57.2%
dec	29	\$0	-\$22,677	\$22,677	51	\$112,603,373	\$112,562,415	\$40,215	56.4%
jan 2002	28	\$0	-\$21,941	\$21,941	50	\$112,389,178	\$112,348,963	\$39,470	55.6%
feb	27	\$0	-\$21,202	\$21,202	49	\$112,173,963	\$112,134,493	\$38,723	54.8%
mar	26	\$0	-\$20,460	\$20,460	48	\$111,957,724	\$111,919,001	\$37,975	53.9%
apr	25	\$0	-\$19,714	\$19,714	47	\$111,740,456	\$111,702,481	\$37,225	53.0%
may	24	\$0	-\$18,965	\$18,965	46	\$111,522,155	\$111,484,930	\$36,473	52.0%
june	23	\$0	-\$18,213	\$18,213	45	\$111,302,814	\$111,266,341	\$35,719	51.0%
july	22	\$0	-\$17,458	\$17,458	44	\$111,082,430	\$111,046,711	\$34,964	49.9%
aug	21	\$0	-\$16,700	\$16,700	43	\$110,860,997	\$110,826,033	\$34,207	48.8%
sep	20	\$0	-\$15,938	\$15,938	42	\$110,638,511	\$110,604,304	\$33,448	47.7%
oct	19	\$0	-\$15,173	\$15,173	41	\$110,414,966	\$110,381,518	\$32,687	46.4%
nov	18	\$0	-\$14,405	\$14,405	40	\$110,190,357	\$110,157,670	\$31,925	45.1%
dec	17	\$0	-\$13,634	\$13,634	39	\$109,964,679	\$109,932,755	\$31,160	43.8%
jan 2003	16	\$0	-\$12,859	\$12,859	38	\$109,737,928	\$109,706,768	\$30,394	42.3%
feb	15	\$0	-\$12,081	\$12,081	37	\$109,510,098	\$109,479,703	\$29,627	40.8%
mar	14	\$0	-\$11,299	\$11,299	36	\$109,281,183	\$109,251,557	\$28,857	39.2%
apr	13	\$0	-\$10,515	\$10,515	35	\$109,051,180	\$109,022,322	\$28,086	37.4%
may	12	\$0	-\$9,726	\$9,726	34	\$108,820,081	\$108,791,995	\$27,313	35.6%
june	11	\$0	-\$8,935	\$8,935	33	\$108,587,884	\$108,560,571	\$26,538	33.7%
july	10	\$0	-\$8,140	\$8,140	32	\$108,354,581	\$108,328,043	\$25,762	31.6%
aug	9	\$0	-\$7,341	\$7,341	31	\$108,120,168	\$108,094,406	\$24,984	29.4%
sep	8	\$0	-\$6,540	\$6,540	30	\$107,884,640	\$107,859,656	\$24,204	27.0%
oct	7	\$0	-\$5,734	\$5,734	29	\$107,647,991	\$107,623,787	\$23,422	24.5%
nov	6	\$0	-\$4,926	\$4,926	28	\$107,410,216	\$107,386,794	\$22,639	21.8%
dec	5	\$0	-\$4,114	\$4,114	27	\$107,171,310	\$107,148,671	\$21,853	18.8%
jan 2004	4	\$0	-\$3,298	\$3,298	26	\$106,931,267	\$106,909,413	\$21,067	15.7%
feb	3	\$0	-\$2,479	\$2,479	25	\$106,690,081	\$106,669,015	\$20,278	12.2%
mar	2	\$0	-\$1,656	\$1,656	24	\$106,447,748	\$106,427,470	\$19,487	8.5%
apr	1	\$0	-\$830	\$830	23	\$106,204,262	\$106,184,774	\$18,695	4.4%
may	0	\$0	\$0	\$0	22	\$105,959,617	\$105,940,922	\$17,901	0.0%

Swap Benchmark for Swap#20.xls

SCANNED, # 6

EXHIBIT 2 DETAILS

pr#20 - maturing 8/4/04 vs Cat Bond 9.00% maturing 4/15/06
of the Correlation between Swap and Ratio Hedge Bond

Actual month-end CP Rate	Using CP at month end + 18 bps Actual floating rate	Settlement on No of days of accrued interest	Market Yield	Accrued Interest	Adjusted MTM (excl. accrued int.)	Monthly Change Adj. MTM	No. of Months	Computed Bond Value	Actual Libor Swap Yield	Constant Yield Differential	Constant Diff. Libor vs CP Swap	Effective Swap Yield	Bond Price if Yield Unchanged	Amort of Premium	Bond Value Monthly Change
5.20%	5.47%	118	5.131%	\$0	\$100,130	\$100,130	87	120.155%	5.3092%	0.4008%	0.1000%	5.6100%	120.155%	0.185%	\$83,236
5.26%	5.46%	149	5.735%	\$0	\$2,635,277	\$2,735,407	86	120.060%	5.2950%	0.4008%	0.1000%	5.5958%	119.967%	0.185%	\$3,937,361
5.36%	5.54%	179	5.665%	\$0	\$2,246,808	\$388,471	85	115.934%	5.9128%	0.4008%	0.1000%	6.2136%	119.778%	0.190%	\$387,259
5.59%	5.77%	58	5.710%	\$0	\$2,454,704	\$207,898	84	116.111%	5.8600%	0.4008%	0.1000%	6.2158%	119.588%	0.191%	\$298,915
5.76%	6.11%	88	6.114%	\$0	\$4,133,168	\$1,678,464	83	115.820%	5.9150%	0.4008%	0.1000%	6.6025%	119.397%	0.192%	\$2,271,255
5.93%	6.20%	117	6.260%	\$0	\$4,676,571	\$543,403	82	112.080%	6.3017%	0.4008%	0.1000%	6.7658%	119.012%	0.193%	\$884,397
6.02%	6.40%	147	6.510%	\$0	\$5,018,308	\$309,737	81	110.466%	6.4650%	0.4008%	0.1000%	7.0291%	118.819%	0.194%	\$1,420,017
6.40%	6.47%	178	6.545%	\$0	\$5,071,792	\$309,737	80	110.679%	6.7283%	0.4008%	0.1000%	7.1468%	118.624%	0.195%	\$581,230
6.47%	6.65%	58	6.415%	\$279,579	\$5,071,792	\$55,484	79	106.710%	6.8458%	0.4008%	0.1000%	7.1468%	118.429%	0.195%	\$1,163,780
6.48%	6.66%	149	6.420%	\$355,069	\$5,071,792	\$591,855	78	110.870%	6.8525%	0.4008%	0.1000%	7.1468%	118.232%	0.196%	\$387,414
		179	6.539%	\$387,327	\$5,071,792	\$1,510	77	110.132%	6.5979%	0.4008%	0.1000%	7.0141%	118.035%	0.197%	\$340,793
		27		\$10,553	\$1,270,327	\$1,510	76	108.454%	7.0100%	0.4008%	0.1000%	7.3108%	117.837%	0.198%	\$1,479,432
		58		\$88,319	\$2,230,553	\$980,228	75	106.216%	7.4285%	0.4008%	0.1000%	7.7296%	117.438%	0.199%	\$2,039,216
		88		\$92,315	\$3,573,319	\$1,342,766	74	106.661%	7.3272%	0.4008%	0.1000%	7.6280%	117.438%	0.200%	\$645,187
		117		\$70,735	\$3,070,315	\$503,004	73	107.113%	7.2255%	0.4008%	0.1000%	7.5233%	117.237%	0.201%	\$652,614
		147		\$52,477	\$2,828,735	\$241,579	72	106.369%	7.3571%	0.4008%	0.1000%	7.6579%	117.035%	0.202%	\$541,433
		178		\$121,796	\$3,295,477	\$468,742	71	106.998%	7.6054%	0.4008%	0.1000%	7.9082%	116.832%	0.203%	\$1,068,100
		28		\$27,342	\$3,789,204	\$483,727	70	106.953%	7.2085%	0.4008%	0.1000%	7.5075%	116.628%	0.204%	\$2,058,742
		57		\$53,127	\$2,657,856	\$1,131,546	69	107.079%	7.1633%	0.4008%	0.1000%	7.4641%	116.423%	0.205%	\$330,892
		88		\$78,351	\$2,404,873	\$252,785	68	108.160%	6.9190%	0.4008%	0.1000%	7.2198%	116.218%	0.206%	\$1,286,669
		118		\$107,719	\$2,072,649	\$332,224	67	108.791%	6.7655%	0.4008%	0.1000%	7.0683%	116.011%	0.207%	\$837,482
		149		\$133,043	\$997,281	\$1,075,368	66	108.808%	6.7388%	0.4008%	0.1000%	7.0398%	115.803%	0.208%	\$224,178
					\$876,957	\$120,323	65								

Hypothetical Market
Yield
Source: (Historical Yield
curve) - adjusted for the
no of months
i.e. 3yr + 5 months
Subtract 10bp -
diff between Libor & CP

Fig. 7

SCANNED, # 6

EXHIBIT 2 DETAILS

	24	25	26	27	28	
	Bond Value	Compensatory	X	Y	Ineffective	Square of
	Mthly Change	Hedge Ratio	Hedged Bond	Swap MTM	Portion of	Total Deviation
			MTM mthly change	Mthly Change	Swap MTM	SSE
			(24 *25)		(26-27)	
			MTM mthly change		Y minus X	
31-Jan-99	\$93,236	71.4%	66,581	\$100,130	-33,548	1,125,500,380
feb	-\$3,937,361	71.2%	-2,802,841	-\$2,735,407	-67,434	4,025,232,445,753
mar	\$367,259	71.0%	260,582	\$388,471	-127,889	5,978,134,380,942
apr	-\$299,915	70.7%	-212,080	-\$207,898	-4,182	6,193,793,295,468
may	-\$2,271,255	70.5%	-1,600,458	-\$1,678,464	78,006	7,092,041,292,889
june	-\$884,397	70.2%	-620,936	-\$543,403	-77,533	7,163,098,675,738
july	-\$1,420,017	69.9%	-993,248	-\$939,737	-53,511	7,187,803,185,810
aug	-\$561,230	69.7%	-391,029	-\$55,484	-335,546	7,712,471,054,324
sep	\$1,163,790	69.4%	807,578	\$591,855	215,723	9,186,612,967,291
oct	\$387,414	69.1%	267,708	\$1,510	266,198	9,458,524,677,896
nov	-\$540,793	68.8%	-372,069	-\$539,258	167,189	9,457,538,409,593
dec	-\$1,479,432	68.5%	-1,013,259	-\$960,226	-53,033	9,642,759,864,005
jan 2000	-\$2,039,216	68.2%	-1,390,101	-\$1,342,766	-47,335	10,225,944,833,831
feb	\$645,187	67.8%	437,669	\$503,004	-65,335	11,375,713,533,491
mar	\$652,614	67.5%	440,464	\$241,579	198,885	11,930,000,027,966
apr	-\$541,433	67.1%	-363,499	-\$466,742	103,243	11,931,561,210,070
may	-\$1,068,100	66.8%	-713,151	-\$493,727	-219,423	11,930,306,132,838
june	\$2,058,742	66.4%	1,366,732	\$1,131,546	235,186	14,380,521,583,999
july	\$330,892	66.0%	218,361	\$252,785	-34,424	14,770,252,110,514
aug	\$1,286,669	65.6%	843,829	\$332,224	511,605	15,239,874,204,598
sep	\$837,482	65.2%	545,688	\$1,075,368	-529,680	17,076,067,269,470
oct	\$224,176	64.7%	145,083	\$120,323	24,759	17,210,457,519,916
						613,024,982

FIG. 8

EXHIBIT 3 DETAILS

SG swap#19 - maturing 11/13/2005 vs CAT Bond 6.00% maturing May 2007

Calculation of the Compensatory Hedge Ratio

Compensatory Hedge Ratio
obtained by dividing Swap PV of 1BP
by Bond PV of 1BP

Swap				Bond				Compensatory Hedge Ratio
Notional	Receive Rate	Initial pay rate	Adj. pay rate	(nominal)	(coupon interest rate)	PV at Initial	PV at Initial	
\$100,000,000	6.00%	5.175%	5.175%	\$100,000,000	6.00%			
No. of Months	Swap PV of Profit	Swap PV of Adj. Profit	PV of 1 BP	No. of Months	Bond Yield	Bond Yield	PV of 1 BP	
04-Jan-99								
feb	80	\$0	-\$56,887	98	\$98,806,923	\$98,742,910	\$64,013	88.9%
mar	79	\$0	-\$56,299	97	\$98,816,190	\$98,752,670	\$63,520	88.6%
apr	78	\$0	-\$55,708	96	\$98,825,505	\$98,762,480	\$63,025	88.4%
may	77	\$0	-\$55,114	95	\$98,834,868	\$98,772,342	\$62,526	88.1%
jun	76	\$0	-\$54,518	94	\$98,844,280	\$98,782,254	\$62,026	87.9%
jul	75	\$0	-\$53,919	93	\$98,853,740	\$98,792,217	\$61,522	87.6%
aug	74	\$0	-\$53,318	92	\$98,863,248	\$98,802,232	\$61,016	87.4%
sep	73	\$0	-\$52,714	91	\$98,872,806	\$98,812,299	\$60,507	87.1%
oct	72	\$0	-\$52,108	90	\$98,882,413	\$98,822,417	\$59,995	86.9%
nov	71	\$0	-\$51,499	89	\$98,892,069	\$98,832,588	\$59,481	86.6%
dec	70	\$0	-\$50,887	88	\$98,901,775	\$98,842,811	\$58,964	86.3%
jan 2000	69	\$0	-\$50,273	87	\$98,911,532	\$98,853,087	\$58,444	86.0%
feb	68	\$0	-\$49,656	86	\$98,921,338	\$98,863,416	\$57,922	85.7%
mar	67	\$0	-\$49,036	85	\$98,931,195	\$98,873,799	\$57,397	85.4%
apr	66	\$0	-\$48,414	84	\$98,941,103	\$98,884,235	\$56,868	85.1%
may	65	\$0	-\$47,789	83	\$98,951,062	\$98,894,725	\$56,337	84.8%
jun	64	\$0	-\$47,161	82	\$98,961,072	\$98,905,269	\$55,804	84.5%
jul	63	\$0	-\$46,531	81	\$98,971,134	\$98,915,867	\$55,267	84.2%
aug	62	\$0	-\$45,898	80	\$98,981,248	\$98,926,520	\$54,728	83.9%
sep	61	\$0	-\$45,262	79	\$98,991,414	\$98,937,228	\$54,185	83.5%
oct	60	\$0	-\$44,624	78	\$99,001,632	\$98,947,992	\$53,640	83.2%
nov	59	\$0	-\$43,983	77	\$99,011,903	\$98,958,811	\$53,092	82.8%
dec	58	\$0	-\$43,338	76	\$99,022,227	\$98,969,686	\$52,541	82.5%
jan 2001	57	\$0	-\$42,692	75	\$99,032,604	\$98,980,617	\$51,987	82.1%
feb	56	\$0	-\$42,042	74	\$99,043,034	\$98,991,604	\$51,430	81.7%
mar	55	\$0	-\$41,390	73	\$99,053,519	\$99,002,648	\$50,870	81.4%
apr	54	\$0	-\$40,735	72	\$99,064,057	\$99,013,749	\$50,308	81.0%
may	53	\$0	-\$40,077	71	\$99,074,650	\$99,024,908	\$49,742	80.6%
jun	52	\$0	-\$39,416	70	\$99,085,297	\$99,036,124	\$49,173	80.2%
jul	51	\$0	-\$38,752	69	\$99,095,999	\$99,047,398	\$48,601	79.7%
aug	50	\$0	-\$38,085	68	\$99,106,756	\$99,058,730	\$48,026	79.3%
sep	49	\$0	-\$37,416	67	\$99,117,569	\$99,070,121	\$47,448	78.9%
oct	48	\$0	-\$36,744	66	\$99,128,438	\$99,081,570	\$46,867	78.4%
nov	47	\$0	-\$36,069	65	\$99,139,362	\$99,093,079	\$46,283	77.9%
dec	46	\$0	-\$35,391	64	\$99,150,343	\$99,104,647	\$45,696	77.4%
jan 2002	45	\$0	-\$34,710	63	\$99,161,380	\$99,116,275	\$45,105	77.0%
feb	44	\$0	-\$34,026	62	\$99,172,474	\$99,127,962	\$44,512	76.4%
mar	43	\$0	-\$33,339	61	\$99,183,626	\$99,139,711	\$43,915	75.9%
apr	42	\$0	-\$32,649	60	\$99,194,835	\$99,151,519	\$43,316	75.4%
may	41	\$0	-\$31,956	59	\$99,206,102	\$99,163,389	\$42,713	74.8%
jun	40	\$0	-\$31,260	58	\$99,217,426	\$99,175,320	\$42,106	74.2%
jul	39	\$0	-\$30,561	57	\$99,228,810	\$99,187,313	\$41,497	73.6%
aug	38	\$0	-\$29,860	56	\$99,240,251	\$99,199,367	\$40,884	73.0%
sep	37	\$0	-\$29,155	55	\$99,251,752	\$99,211,484	\$40,268	72.4%
oct	36	\$0	-\$28,447	54	\$99,263,312	\$99,223,663	\$39,649	71.7%
nov	35	\$0	-\$27,736	53	\$99,274,932	\$99,235,905	\$39,027	71.1%
dec	34	\$0	-\$27,022	52	\$99,286,611	\$99,248,211	\$38,401	70.4%
jan	33	\$0	-\$26,305	51	\$99,298,351	\$99,260,580	\$37,772	69.6%
feb	32	\$0	-\$25,585	50	\$99,310,151	\$99,273,012	\$37,139	68.9%
mar	31	\$0	-\$24,862	49	\$99,322,012	\$99,285,509	\$36,503	68.1%
apr	30	\$0	-\$24,136	48	\$99,333,935	\$99,298,071	\$35,864	67.3%
may	29	\$0	-\$23,406	47	\$99,345,918	\$99,310,697	\$35,221	66.5%
jun	28	\$0	-\$22,673	46	\$99,357,964	\$99,323,388	\$34,575	65.6%
jul	27	\$0	-\$21,938	45	\$99,370,071	\$99,336,145	\$33,926	64.7%
aug	26	\$0	-\$21,199	44	\$99,382,241	\$99,348,968	\$33,273	63.7%
sep	25	\$0	-\$20,457	43	\$99,394,474	\$99,361,857	\$32,616	62.7%
oct	24	\$0	-\$19,711	42	\$99,406,769	\$99,374,813	\$31,957	61.7%
nov	23	\$0	-\$18,963	41	\$99,419,129	\$99,387,835	\$31,293	60.6%
		\$0	-\$18,211		\$99,431,551	\$99,400,925	\$30,626	59.5%

FIG. 9A

Swap-Benchmark for Swap#19.xls

EXHIBIT 3 DETAILS

dec	22	\$0	-\$17,456	\$17,456	40	\$99,444,038	\$99,414,082	\$29,956	58.3%
jan	21	\$0	-\$16,698	\$16,698	39	\$99,456,589	\$99,427,308	\$29,282	57.0%
feb	20	\$0	-\$15,937	\$15,937	38	\$99,469,205	\$99,440,601	\$28,604	55.7%
mar	19	\$0	-\$15,172	\$15,172	37	\$99,481,886	\$99,453,963	\$27,923	54.3%
apr	18	\$0	-\$14,404	\$14,404	36	\$99,494,632	\$99,467,394	\$27,238	52.9%
may	17	\$0	-\$13,633	\$13,633	35	\$99,507,444	\$99,480,895	\$26,549	51.3%
jun	16	\$0	-\$12,858	\$12,858	34	\$99,520,322	\$99,494,465	\$25,857	49.7%
jul	15	\$0	-\$12,080	\$12,080	33	\$99,533,266	\$99,508,105	\$25,161	48.0%
aug	14	\$0	-\$11,299	\$11,299	32	\$99,546,277	\$99,521,816	\$24,462	46.2%
sep	13	\$0	-\$10,514	\$10,514	31	\$99,559,355	\$99,535,597	\$23,759	44.3%
oct	12	\$0	-\$9,726	\$9,726	30	\$99,572,501	\$99,549,449	\$23,052	42.2%
nov	11	\$0	-\$8,934	\$8,934	29	\$99,585,714	\$99,563,373	\$22,341	40.0%
dec	10	\$0	-\$8,139	\$8,139	28	\$99,598,996	\$99,577,369	\$21,626	37.6%
jan	9	\$0	-\$7,341	\$7,341	27	\$99,612,345	\$99,591,438	\$20,908	35.1%
feb	8	\$0	-\$6,539	\$6,539	26	\$99,625,764	\$99,605,578	\$20,186	32.4%
mar	7	\$0	-\$5,734	\$5,734	25	\$99,639,252	\$99,619,792	\$19,460	29.5%
apr	6	\$0	-\$4,926	\$4,926	24	\$99,652,809	\$99,634,079	\$18,730	26.3%
may	5	\$0	-\$4,113	\$4,113	23	\$99,666,436	\$99,648,440	\$17,996	22.9%
jun	4	\$0	-\$3,298	\$3,298	22	\$99,680,134	\$99,662,875	\$17,258	19.1%
jul	3	\$0	-\$2,479	\$2,479	21	\$99,693,902	\$99,677,385	\$16,517	15.0%
aug	2	\$0	-\$1,656	\$1,656	20	\$99,707,741	\$99,691,969	\$15,771	10.5%
sep	1	\$0	-\$830	\$830	19	\$99,721,651	\$99,706,629	\$15,022	5.5%
oct	0	\$0	\$0	\$0	18	\$99,735,633	\$99,721,365	\$14,268	0.0%

FIG. 9B

Swap Benchmark for Swap#19.xls

EXHIBIT 3 DETAILS SCANNED, # 6

- maturing 11/12/2005 vs CAT Bond 6.00% maturing May 2007
of the Correlation between Swap and Ratio Hedge Bond

Actual month-end CP Rate	Using CP at month end + 18 bps	Actual floating rate	Settlement on No of days of accrued interest	Market Yield	Accrued Interest	Adjusted MTM (excl. accrued int.)	Monthly Change Adj. MTM	No. of Months	Computed Bond Value	Actual Libor Swap Yield	Constant Yield Differential	Constant Diff. Libor vs CP Swap	Effective Swap Yield	Bond Price if Yield Unchanged	Amount of Premium	Bond Value Monthly Change
5.76%	5.94%		5+21	5.177%	\$0	\$0	-\$68,239	100	99.4455%	5.3500%	0.8350%	0.1000%	6.0850%	99.445%	-0.004%	129,152
5.93%	6.11%		5+20	5.795%	\$0	-\$3,476,946	-\$3,408,708	98	99.5789%	5.3300%	0.8350%	0.1000%	6.0650%	99.450%	-0.004%	-3,885,065
6.02%	6.20%		5+19	5.735%	\$0	-\$3,119,318	\$357,629	96	95.6981%	5.9500%	0.8350%	0.1000%	6.6850%	99.454%	-0.004%	272,117
6.40%	6.58%		5+18	5.790%	\$0	-\$3,378,848	-\$259,530	97	95.9746%	5.9100%	0.8350%	0.1000%	6.6450%	99.458%	-0.004%	-274,603
6.53%	6.71%		5+17	5.780%	\$0	-\$5,369,450	-\$1,990,602	96	95.7043%	5.9600%	0.8350%	0.1000%	6.6950%	99.463%	-0.004%	-2,210,463
6.49%	6.67%		5+16	6.181%	\$0	-\$6,115,915	-\$746,465	95	93.4982%	6.3400%	0.8350%	0.1000%	7.0750%	99.467%	-0.004%	-984,940
6.47%	6.65%		5+15	6.340%	\$0	-\$7,332,810	-\$1,216,865	94	92.5176%	6.5200%	0.8350%	0.1000%	7.2550%	99.471%	-0.004%	-1,456,525
6.46%	6.66%		5+14	6.600%	\$0	-\$7,888,384	-\$355,584	93	91.0655%	6.7800%	0.8350%	0.1000%	7.6650%	99.476%	-0.004%	-899,973
			5+13	6.690%	\$0	-\$6,795,503	\$882,881	92	90.3700%	6.9300%	0.8350%	0.1000%	7.4550%	99.480%	-0.004%	1,216,908
			5+12	6.521%	\$0	-\$6,498,778	\$296,725	91	91.5813%	6.7200%	0.8350%	0.1000%	7.3650%	99.485%	-0.004%	446,704
			5+11	6.475%	\$0	-\$6,994,406	-\$495,628	90	92.0425%	6.6500%	0.8350%	0.1000%	7.5050%	99.489%	-0.004%	-566,935
			5+10	6.500%	\$0	-\$8,280,528	-\$1,286,120	89	91.4600%	6.7700%	0.8350%	0.1000%	7.7850%	99.494%	-0.005%	-1,414,252
			5+9	6.603%	\$0	-\$10,080,361	-\$1,799,835	88	88.0820%	7.4500%	0.8350%	0.1000%	8.1850%	99.503%	-0.005%	-1,972,825
			16	7.316%	\$23,671	-\$4,067,186	-\$288,265	86	88.6868%	7.3500%	0.8350%	0.1000%	8.0850%	99.507%	-0.005%	600,266
	5.94%		47		\$47,644	-\$3,638,579	\$428,607	85	89.3888%	7.2300%	0.8350%	0.1000%	7.9650%	99.512%	-0.005%	697,408
	6.11%		77		\$59,068	-\$4,238,174	-\$598,598	84	88.8328%	7.3600%	0.8350%	0.1000%	8.0950%	99.516%	-0.005%	-560,644
	6.20%		108		-\$29,589	-\$5,001,049	-\$762,874	83	87.7086%	7.8100%	0.8350%	0.1000%	8.3450%	99.521%	-0.005%	-1,128,849
	6.40%		136		-\$86,959	-\$3,215,246	\$1,765,803	82	89.7694%	7.2100%	0.8350%	0.1000%	7.9450%	99.526%	-0.005%	2,058,146
	6.53%		169		-\$87,973	-\$3,032,563	\$182,683	81	89.9817%	7.1900%	0.8350%	0.1000%	7.9250%	99.530%	-0.005%	187,682
	6.67%		200		-\$93,151	-\$2,051,584	\$960,979	80	91.3301%	6.9300%	0.8350%	0.1000%	7.6650%	99.535%	-0.005%	1,363,626
	6.47%		230		-\$115,315	-\$1,331,419	\$720,165	79	92.0525%	6.8000%	0.8350%	0.1000%	7.5350%	99.540%	-0.005%	717,703
	6.46%		261		-\$125,645	-\$1,255,358	\$76,061	78	92.2553%	6.7745%	0.8350%	0.1000%	7.5065%	99.545%	-0.005%	198,052

Hypoetical Market Yield
Source: (Historical Yield
curve) - adjusted for the
no of months
1 = 3yr + 5 months.
Subtract 10bp -
diff between Libor & CP

EXHIBIT 3 Details

	24	25	26	27	28			
	Bond Value Mthly Change	Compensatory Hedge Ratio	X Hedged Bond MTM mthly change (24-26)	Y Swap MTM Mthly Change	Ineffective Portion of Swap MTM (26-27) Y minus X	Square of Total Deviation SSI	Square of Unexplained Dev (Ineffect.portion) SSE	r ²
			Life-to-date Hedged Bond MTM mthly change					
31-Jan-99	\$129,152.26	88.9%	114,775	-\$68,239	183,014	33,494,082,217	33,494,082,217	0.0%
	-\$3,885,065.11	88.6%	-3,443,390	-\$3,408,708	-34,582	5,590,368,511,544	1,202,825,675	99.4%
	\$272,116.63	88.4%	240,525	\$357,629	-117,103	8,508,787,459,252	13,713,151,144	99.4%
apr	-\$274,603.02	88.1%	-242,050	-\$259,530	17,480	8,965,638,921,354	305,550,649	99.5%
	-\$2,210,462.81	87.9%	-1,942,913	-\$1,990,602	47,689	10,017,355,557,819	2,274,239,706	99.5%
	-\$984,940.21	87.6%	-863,226	-\$746,465	-116,760	10,104,905,247,289	13,632,971,273	99.4%
jul	-\$1,456,525.10	87.4%	-1,272,771	-\$1,216,895	-55,876	10,139,126,053,220	3,122,163,284	99.3%
	-\$699,972.65	87.1%	-609,823	-\$355,584	-254,239	10,570,905,440,040	64,637,569,666	98.7%
oct	\$1,216,905.70	86.9%	1,056,920	\$892,891	164,029	13,615,528,055,091	26,905,452,573	98.8%
	\$446,704.08	86.6%	386,757	\$296,725	90,032	14,608,652,245,315	8,105,749,570	98.9%
	-\$586,934.93	86.3%	-506,536	-\$495,628	-10,908	14,630,391,511,658	118,984,295	98.9%
	-\$1,414,251.55	86.0%	-1,216,516	-\$1,288,120	69,604	15,017,331,881,621	4,844,741,921	98.9%
jan 2000	-\$1,972,824.61	85.7%	-1,691,287	-\$1,799,835	108,547	16,154,834,785,302	11,782,547,084	98.9%
	\$600,266.50	85.4%	512,834	-\$288,265	801,099	16,431,385,344,032	641,759,598,874	95.0%
	\$697,408.08	85.1%	593,728	\$428,607	165,121	17,724,996,288,322	27,264,812,868	95.2%
apr	-\$560,643.81	84.8%	-475,575	-\$599,596	124,021	17,741,418,480,487	15,381,221,905	95.1%
	-\$1,128,849.08	84.5%	-954,026	-\$762,874	-191,151	17,722,088,018,870	36,538,798,199	94.9%
	\$2,056,145.66	84.2%	1,731,133	\$1,785,803	-54,669	23,385,098,665,512	2,988,746,111	96.1%
jul	\$187,682.07	83.9%	157,402	\$182,683	-25,281	23,859,522,711,161	639,115,931	96.2%
	\$1,363,626.40	83.5%	1,139,069	\$980,979	158,089	25,932,101,749,143	24,992,276,858	96.4%
	\$717,703.15	83.2%	597,064	\$720,165	-123,101	27,150,583,245,770	15,153,930,847	96.5%
oct	\$198,051.86	82.8%	184,070	\$76,061	88,009	27,340,946,483,073	7,745,651,707	96.5%

Fig. 11

EXHIBIT 4 DETAILS

SG swap#18 - maturing 7/15/2006 vs CAT Bond 7.25% maturing September 2009

Calculation of the Compensatory Hedge Ratio

Compensatory Hedge Ratio
obtained by dividing Swap PV of 1BP
by Bond PV of 1 BP

Swap Notional \$100,000,000				Bond (nominal) : \$100,000,000			
Receive Rate 6.578%				Bond (coupon interest rate): 7.25%			
Initial pay rate 6.578%				Bond Yield 7.161%			
Adj. pay rate 6.588%							
No. of Months	Swap PV of Profit	Swap V of Adj. Profit	PV of 1 BP	No. of Months	Bond Yield	Bond Yield	Compensatory Hedge Ratio
30-Sep-99							
oct	81	\$0	-\$54,921	119	\$100,709,823	\$100,637,839	76.7%
nov	80	\$0	-\$54,389	118	\$100,705,803	\$100,634,229	76.4%
dec	79	\$0	-\$53,854	117	\$100,701,759	\$100,630,597	76.1%
jan 2000	78	\$0	-\$53,316	116	\$100,697,690	\$100,626,943	75.8%
feb	77	\$0	-\$52,775	115	\$100,693,598	\$100,623,268	75.5%
mar	76	\$0	-\$52,231	114	\$100,689,481	\$100,619,570	75.2%
apr	75	\$0	-\$51,684	113	\$100,685,340	\$100,615,851	74.8%
may	74	\$0	-\$51,134	112	\$100,681,174	\$100,612,110	74.5%
jun	73	\$0	-\$50,580	111	\$100,676,983	\$100,608,346	74.2%
jul	72	\$0	-\$50,024	110	\$100,672,768	\$100,604,559	73.8%
aug	71	\$0	-\$49,465	109	\$100,668,527	\$100,600,750	73.5%
sep	70	\$0	-\$48,903	108	\$100,664,261	\$100,596,919	73.1%
oct	69	\$0	-\$48,338	107	\$100,659,969	\$100,593,064	72.7%
nov	68	\$0	-\$47,769	106	\$100,655,652	\$100,589,186	72.4%
dec	67	\$0	-\$47,198	105	\$100,651,309	\$100,585,286	72.0%
jan 2001	66	\$0	-\$46,623	104	\$100,646,940	\$100,581,362	71.6%
feb	65	\$0	-\$46,045	103	\$100,642,546	\$100,577,414	71.2%
mar	64	\$0	-\$45,464	102	\$100,638,125	\$100,573,443	70.8%
apr	63	\$0	-\$44,880	101	\$100,633,677	\$100,569,449	70.4%
may	62	\$0	-\$44,293	100	\$100,629,204	\$100,565,430	70.0%
jun	61	\$0	-\$43,702	99	\$100,624,703	\$100,561,388	69.5%
jul	60	\$0	-\$43,109	98	\$100,620,176	\$100,557,321	69.1%
aug	59	\$0	-\$42,512	97	\$100,615,621	\$100,553,230	68.7%
sep	58	\$0	-\$41,911	96	\$100,611,040	\$100,549,115	68.2%
oct	57	\$0	-\$41,308	95	\$100,606,431	\$100,544,975	67.7%
nov	56	\$0	-\$40,701	94	\$100,601,795	\$100,540,811	67.3%
dec	55	\$0	-\$40,091	93	\$100,597,131	\$100,536,621	66.8%
jan	54	\$0	-\$39,477	92	\$100,592,440	\$100,532,407	66.3%
feb	53	\$0	-\$38,860	91	\$100,587,720	\$100,528,168	65.8%
mar	52	\$0	-\$38,240	90	\$100,582,973	\$100,523,903	65.3%
apr	51	\$0	-\$37,616	89	\$100,578,197	\$100,519,612	64.7%
may	50	\$0	-\$36,989	88	\$100,573,392	\$100,515,297	64.2%
jun	49	\$0	-\$36,358	87	\$100,568,559	\$100,510,955	63.7%
jul	48	\$0	-\$35,724	86	\$100,563,697	\$100,506,587	63.1%
aug	47	\$0	-\$35,087	85	\$100,558,806	\$100,502,194	62.5%
sep	46	\$0	-\$34,446	84	\$100,553,886	\$100,497,774	61.9%
oct	45	\$0	-\$33,801	83	\$100,548,937	\$100,493,328	61.3%
nov	44	\$0	-\$33,153	82	\$100,543,958	\$100,488,855	60.7%
dec	43	\$0	-\$32,501	81	\$100,538,950	\$100,484,356	60.1%
jan	42	\$0	-\$31,846	80	\$100,533,912	\$100,479,829	59.5%
feb	41	\$0	-\$31,187	79	\$100,528,843	\$100,475,276	58.8%
mar	40	\$0	-\$30,525	78	\$100,523,745	\$100,470,696	58.1%
apr	39	\$0	-\$29,859	77	\$100,518,616	\$100,466,088	57.4%
may	38	\$0	-\$29,189	76	\$100,513,456	\$100,461,453	56.7%
jun	37	\$0	-\$28,516	75	\$100,508,266	\$100,456,790	56.0%
jul	36	\$0	-\$27,839	74	\$100,503,045	\$100,452,099	55.2%
aug	35	\$0	-\$27,158	73	\$100,497,793	\$100,447,380	54.5%
sep	34	\$0	-\$26,474	72	\$100,492,509	\$100,442,633	53.7%
oct	33	\$0	-\$25,786	71	\$100,487,194	\$100,437,858	52.8%
nov	32	\$0	-\$25,094	70	\$100,481,847	\$100,433,054	52.0%
dec	31	\$0	-\$24,398	69	\$100,476,469	\$100,428,222	51.2%
jan	30	\$0	-\$23,698	68	\$100,471,058	\$100,423,360	50.3%
feb	29	\$0	-\$22,995	67	\$100,465,615	\$100,418,470	49.4%
mar	28	\$0	-\$22,287	66	\$100,460,140	\$100,413,551	48.4%
apr	27	\$0	-\$21,576	65	\$100,454,632	\$100,408,602	47.5%
may	26	\$0	-\$20,861	64	\$100,449,091	\$100,403,624	46.5%
jun	25	\$0	-\$20,142	63	\$100,443,517	\$100,398,616	45.4%
jul	24	\$0	-\$19,419	62	\$100,437,910	\$100,393,578	44.4%
aug	23	\$0	-\$18,692	61	\$100,432,270	\$100,388,510	43.3%
		\$0	-\$17,962		\$100,426,596	\$100,383,411	42.2%
			\$17,962		\$100,420,888	\$100,378,283	

FIG. 12A

Swap Benchmark for Swap#18.xls

EXHIBIT 4 DETAILS

sep	22	\$0	-\$17,227	\$17,227	60	\$100,415,146	\$100,373,123	\$42,023	41.0%
oct	21	\$0	-\$16,488	\$16,488	59	\$100,409,370	\$100,367,933	\$41,437	39.8%
nov	20	\$0	-\$15,745	\$15,745	58	\$100,403,560	\$100,362,712	\$40,847	38.5%
dec	19	\$0	-\$14,998	\$14,998	57	\$100,397,714	\$100,357,460	\$40,254	37.3%
jan	18	\$0	-\$14,247	\$14,247	56	\$100,391,835	\$100,352,177	\$39,658	35.9%
feb	17	\$0	-\$13,491	\$13,491	55	\$100,385,920	\$100,346,862	\$39,058	34.5%
mar	16	\$0	-\$12,732	\$12,732	54	\$100,379,969	\$100,341,515	\$38,454	33.1%
apr	15	\$0	-\$11,968	\$11,968	53	\$100,373,984	\$100,336,136	\$37,847	31.6%
may	14	\$0	-\$11,201	\$11,201	52	\$100,367,962	\$100,330,725	\$37,237	30.1%
jun	13	\$0	-\$10,429	\$10,429	51	\$100,361,905	\$100,325,282	\$36,623	28.5%
jul	12	\$0	-\$9,653	\$9,653	50	\$100,355,812	\$100,319,807	\$36,005	26.8%
aug	11	\$0	-\$8,872	\$8,872	49	\$100,349,682	\$100,314,299	\$35,383	25.1%
sep	10	\$0	-\$8,088	\$8,088	48	\$100,343,516	\$100,308,757	\$34,758	23.3%
oct	9	\$0	-\$7,299	\$7,299	47	\$100,337,313	\$100,303,183	\$34,130	21.4%
nov	8	\$0	-\$6,505	\$6,505	46	\$100,331,073	\$100,297,576	\$33,497	19.4%
dec	7	\$0	-\$5,708	\$5,708	45	\$100,324,796	\$100,291,935	\$32,861	17.4%
jan	6	\$0	-\$4,905	\$4,905	44	\$100,318,481	\$100,286,260	\$32,221	15.2%
feb	5	\$0	-\$4,099	\$4,099	43	\$100,312,129	\$100,280,552	\$31,577	13.0%
mar	4	\$0	-\$3,288	\$3,288	42	\$100,305,739	\$100,274,810	\$30,930	10.6%
apr	3	\$0	-\$2,473	\$2,473	41	\$100,299,311	\$100,269,033	\$30,278	8.2%
may	2	\$0	-\$1,653	\$1,653	40	\$100,292,845	\$100,263,222	\$29,623	5.6%
jun	1	\$0	-\$829	\$829	39	\$100,286,340	\$100,257,378	\$28,964	2.9%
jul	0	\$0	\$0	\$0	38	\$100,279,796	\$100,251,495	\$28,301	0.0%

FIG. 12B

Swap-Benchmark for Swap#18.xls

EXHIBIT 41 DETAILS

005667-64336200

SG swap#18 - maturing 7/15/2008 vs CAI Bond 7.25% maturing September 2009

Calculation of the Correlation between Swap and Ratio Hedge Bond

	11	12	13	14	15	16	17	18	19	20	21	22	23
Swap Notional													
Receive Rate													
Hypothetical Rate													
Settlement on													
Using CP at month end + 18 days													
Actual month-end CP Rate													
No. of Months													
(Per Counterparty) Swap MTM													
30-Sep-99	82												
30-Sep-99	81												
	80												
dec	79												
	78												
mar	77												
	76												
	75												
	74												
jun	73												
	72												
	71												
sep	70												
-2,189,362	69												
Accrued Interest													
Adjusted MTM (excl. accrued int.)													
Monthly Change Adj. MTM													
No. of Months													
Computed Bond Value													
Actual Libor Swap Yield													
Constant Yield Differential													
Constant Libor vs CP Swap													
Effective Swap Yield													
Bond Price / Yield Unchanged													
Amount of Premium													
Bond Value Mktg Change													

FIG. 13

Swap Benchmark for Swap 18.xls

EXHIBIT 21 DETAILS

Exhibit 2		24	25	26	27	28			
	Bond Value Mthly Change	Compensatory Hedge Ratio	X Hedged Bond MTM mthly change (24-26)	averg. x Life-to-date Hedged Bond MTM mthly change	Y Swap MTM Mthly Change	Ineffective Portion of Swap MTM (26-27) Y minus X	Square of Total Deviation SSI	Square of Unexplained Dev (ineffect.portion) SSE	r2
30-Sep-99	\$0.00	76.7%	0	0	\$0	0	0	0	
	\$600,462.93	76.4%	458,935	229,467	\$333,504	125,431	63,478,928,851	15,732,832,515	75.2%
	-\$1,503,626.62	76.1%	-1,144,583	-228,549	-\$598,060	-546,523	504,676,712,291	298,687,349,311	37.7%
dec	-\$1,273,266.40	75.8%	-965,233	-412,720	-\$1,559,611	594,378	2,076,897,321,496	353,285,391,893	67.9%
	-\$2,320,774.27	75.5%	-1,751,915	-680,559	-\$2,094,372	342,456	4,269,888,798,888	117,276,296,651	81.6%
	\$636,938.08	75.2%	478,747	-487,342	\$537,335	-58,588	5,705,816,121,978	3,432,549,873	86.2%
mar	\$1,027,406.66	74.8%	768,845	-307,886	\$602,078	166,767	6,891,153,721,126	27,811,094,331	88.2%
	-\$871,257.52	74.5%	-649,066	-350,534	-\$634,859	-14,207	6,931,508,772,406	201,837,756	88.2%
	-\$1,501,434.31	74.2%	-1,113,399	-435,297	-\$1,165,891	52,492	7,419,392,361,062	2,755,374,621	89.0%
Jun	\$2,472,573.07	73.8%	1,824,951	-209,272	\$1,963,578	-138,627	12,899,803,490,559	19,217,411,768	93.5%
	\$104,775.02	73.5%	76,961	-183,251	\$213,760	-136,799	13,091,439,955,855	18,713,870,414	93.5%
	\$1,736,237.04	73.1%	1,269,070	-62,224	\$1,215,951	53,118	14,879,915,613,565	2,821,573,034	94.3%
sep	\$624,273.86	72.7%	454,010	-22,514	\$705,980	-251,971	15,564,479,116,344	63,489,285,989	94.1%
	\$267,692.47	72.4%	193,681	-7,071	\$194,508	-826	15,614,017,438,151	682,853	94.1%

FIG. 14

Swap Benchmark for Swap#14 xis

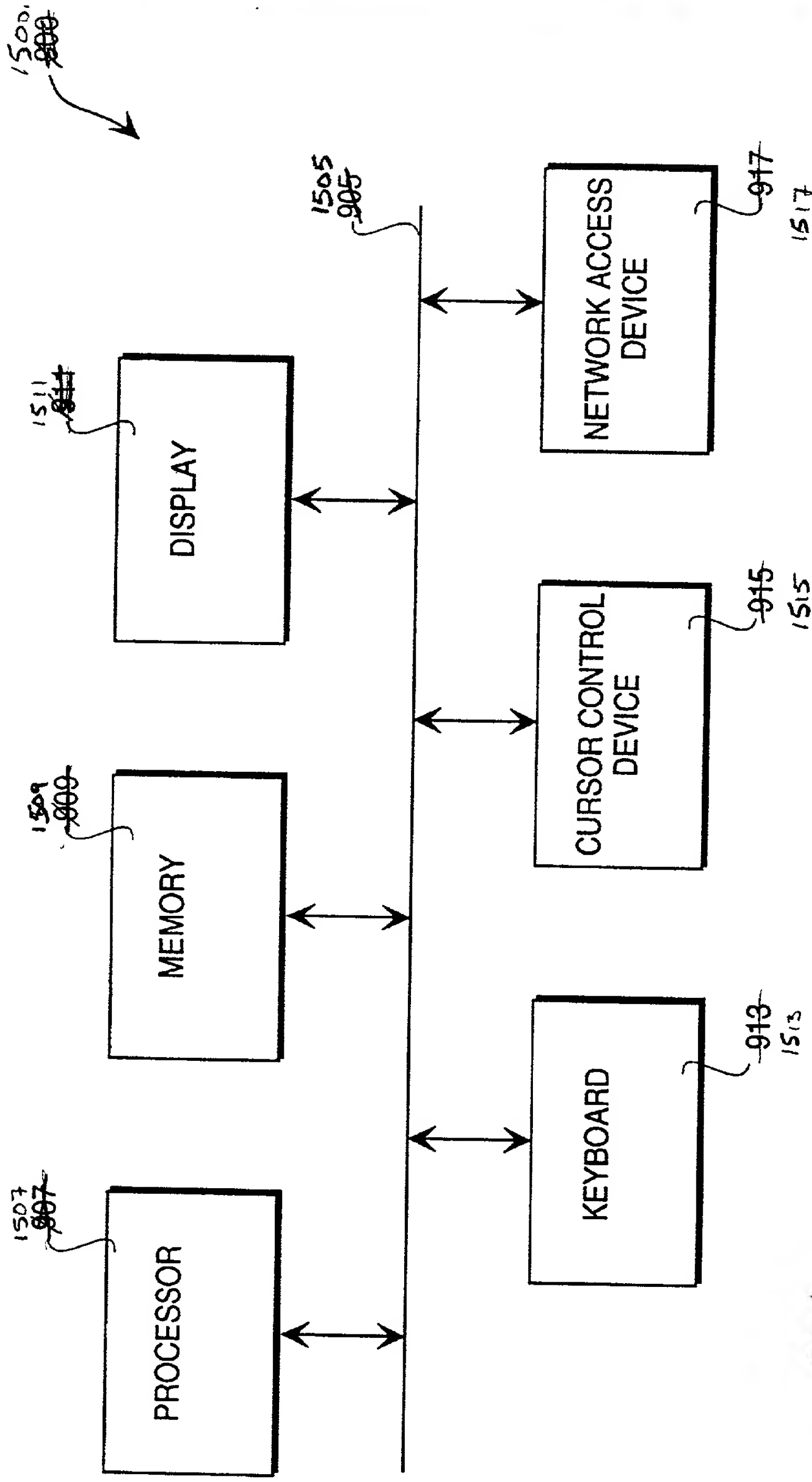


FIG. 15